G.R.S. 57.]

File No.

Serial Nos.

190

GENERAL AND REVENUE SECRETARIAT.

(   )

Part A: Manuscript
for

Serial Nos.

GPB—5,000—20-3-06.

On Mysore Government Service.

Confidential

File No. 2.C 147-22. (2-6) 3. Dec. 1922.

Strictly Confidential

15

G.R.S. IX-5]

Previous references.
2 te 147-22 (1, 7 & 8) 192 2.
2 te)

File No. 147 of 22

Serial Nos. 2-4 ~~&~~ 5- 6 1

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 4

Part B for December 1922

SUBJECT

Grant of license for distilling Sandal oil in the State under certain conditions.

Printed on the Multigraph.

G. R. S. 11] 1922-23

GENERAL AND REVENUE SECRETARIAT.

(I & C)

NOTES.

File No. 147-2

FILE HEADING.

Grant of license for distilling Sanda
Oil in the State under certain Conditi

From

The Director of Industries & Commer
in Myso

No. 1455 Dated 30.10.22 Received 30.10.22

iary No. 2415 Enclos. Spare Copies. Serial No. 2

BRIEF ABSTRACT OF LETTER.

Forwards for favorable consideratio
an application from the Essenflow Produ
Ld, Mysore for purchasing Sandalwood a
the auction outside the State and distill i
in Mysore.

NOTES AND ORDERS.

NOTES—First Sheet.

2

G. R. S. III-2]

General and Revenue
Secretariat.

~~Confdl~~
~~I.&C~~ File No. 147 of 1922-23

Serial
No.

There is a slight mistake in the Director's letter which is enclosed - It is 100 lbs of oil per ton - not 200 per ton. But coming to the merits of the proposal, it does not appear proper for us to commit ourselves to a large policy such as the one underlying the proposal of the D. of I&C with insufficient consideration. The first British Indian sale is on the 24th now which is not far off. The result of any agreement such as that proposed by the D. of I&C is to reduce the price of British Indian wood, and what we want is to raise the price of British Indian wood. If an agreement with the Essenflora products Ltd is contemplated, it must be on some lines similar to that with the

NOTE—Contn. sheet.

(3

G. R. S. III-2]

General and Revenue Secretariat. | Ivc File No. 147 of 1922-23

Serial No.

Kuppam and Kanary
people, and that agreeme
means that all the stoc
of our parties must be
considered sold out befo
ours is taken up for sale
Just the position which
D'Souza condemns. I
am afraid the position
requires fight and not
agreement just now.
To permit private per
& distil sandal oil inde
pendently in Mysore
~~to~~ may interfere with
our monopoly of Sanda
wood by making it dif
cult & enforce the mono
in practice. The whole
question requires very
careful consideration
all points of view and
one thing is perhaps clea
that a change of polic
cannot be effected befo
the next British India
auction sales. Howe

NOTE—Contn. sheet.

(4

G. R. S. III-2]

General and Revenue Secretariat. | I&C File No. 147 of 1922-23

Serial No.

The D. S. F. & the Conservator of Forests may be consulted about the proposals of the D. of Industries.

First Member

B 30/10/22

2) The file about British Indian auction sales is kept below.

B 30/10/22

3606-625
31.10.22

3) A big question of policy is involved. If the Dewan approves, matter may be discussed in Council. I do not think a matter like this can be dealt with summarily or hurriedly.

Reel
1.11.22

Dewan

4) B 2/11/22

5) The D. S. F. & C. F. might usefully be consulted first I think.

7.11

6) The letter from the C. F. on the same subject that has been recd. by the First Member may be perhaps added

NOTE—Contn. sheet.

5

G. R. S. III-2

General and Revenue
Secretariat.

I&C File No. 147 of 1922-23

Serial No.

& this file and the Dr SO consulted first, the CA if necessary being consulted later on.

Just numbered

B 7/11/22

7)

3825-210
8.11.22

The C. I's views in the matter are already on record. The Director S.O.I may be also consulted D.O. & confidentially. It is not necessary to furnish him with the views of the Director I&C or the C.I. Matter shd be treated as urgent & confidential.

Rice
9.11.22

8) DO to Dr. SOI issued. Draft enclosed. This file is now linked to the main file.

B
10/11/22

NOTE—Contn. sheet.

(. 6

G. R S. III-2]

General and Revenue
Secretariat.

I&C File No. 147 of 1922-23

Serial No.

9) The letter of the Dr S O F. since received is submitted in continuation of the main file and the First Member already.

10) Perhaps it is desirable to wait for the opinion of Sir Alfred Chatterton who has returned to India

~~First Member~~

13/11/22

11) If private distilling is allowed and if at the same time, sale of our wood in open auction to the highest bidder is not the policy adopted, the private distillers of Mysore may, as feared by the Dr. S O F, soon give up competing in the open market of British India and try to get wood on upset price or other conce-

G. R. S. III-2]

(7)

General and Revenue Secretariat. | G & R File No. 147 of 1922-23

Serial No.

the net result being, not the killing of competition from British India but the starting of an unhealthy competition with the Govt Sandal oil factory without the safeguard of the sale of Mysore wood in open auction to the highest bidder. If the policy of the sale of Mysore wood to the highest bidder in preference is adopted, there may be no justification from the point of view of revenue only for keeping up the Govt Sandal oil factory and in fact the smooth working of the Govt Sandal oil factory may become difficult in those adverse conditions. Perhaps a Sandal oil factory is likely to be the greatest success only in the hands of those whose wood is their own & not paid for, as they can meet necessities [illegible]

(8

Serial No.

perhaps this is the real justification for a Govt Sandal oil factory in preference to a private one and not the ground that we have a monopoly in Sandal wood which we have not outside Mysore(

The main file has already been marked by the Dewan for the Council

First Member

13/11/22

12) Further letter of M.R.Ry Narasinga Rao sending Sir Alfred Chatterton's telegram is kept below

Recd -14.11
13.11.22

First Member

13/11/22

(13) Secy. The question - which is a very important one - has got the consideration in council. File may be submitted to the Dewan

14.11.22

(14) Sir Alfred Chatterton has since written and the file has been separated out.

G. R. S. III-2]

General and Revenue
Secretariat.

I&C File No. 147 of 1922-23.

Serial No.

Alfred is expected in Bangalore on the 19th & wishes to discuss with the members of Govt and dissuade them from granting the application of the Essen Flour Co

(15)

Dewan

to
14/11/22

may be considered in C. as already ordered

4
15-11

(16)

To The Chief Secretary with compliments

15/11/22

(17)

circulated
15/11

Read [illegible]

(10

G. R. S. III-2]

General and Revenue Secretariat.

I & C File No. 147 of 1922-23

Serial No.

18) The letter from the D. I. G. of 14th Nov 1922 is enclosed. The letter about Sir Alfred Chatterton's movements has already been sub'd to the First Member. He is expected in Bangalore on the 19th I believe.

First Member & Dewan

14/11/22

4040-424
14.11.22

20) This shd have been treated as Confidential & sent in a closed cover.
15.11.22

19) Sem
15.11.22

21) For perusal before transfer to Council Section
15.11.22

(22) This was sub'd in a box but got back open
15.11.22

(23) Seen
16.11

(24) To The Chief Secretary with compliments

(25) [illegible] 16/11/22

GEN. & REV. SECRETARIAT
6 - DEC 1922
COMMERCE
M.

NOTE—Contn. sheet.

For further notes see Collection - I & C 147-22-8

Idc. 147-22-2 11

TELEGRAPHIC ADDRESS "INDUSTRIES"

In reply please refer to
No. O.C.1455
22-3

IMMEDIATE AND CONFIDENTIAL:

ENCL. No. one

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE, IN MYSORE.

BRANCH 2 NOV 1922 2415

Bangalore. 30th October *1922.*

FROM

P. G. D'SOUZA, ESQ., B.A., B.L.,
Director of Industries and Commerce in Mysore
Bangalore (India)

TO

The Secretary to the Government of Mysore,
General Department,
Bangalore.

SIR,

I have the honor to forward herewith for the favourable consideration of Government an application received from the Essenflour Products Ltd., for permission to purchase Sandalwood notified for auction outside the State and distil it in Mysore. Excepting as a Member of the Advisory Board I have no connection with the Sandal Oil Factories but as compliance with the request now made will indirectly stimulate the development of the manufacture of Essential Oils in which the Company and the Department are interested, I have taken the liberty of sending the application to Government for consideration.

As pointed out in the letter it is impossible for the Government factories to prevent the oil distilled from 860 tons now - offered for sale by Madras and Coorg from being brought into the market and sold in competition with the Mysore Oil. My enquirie in foreign markets showed that for reasons I need not dwell upon here the oil distilled by purchasers of this wood was sold before our oil and the demand for Mysore Oil is limited to what the - - worlds' markets could consume in addition to this supply. In othe words if the total demand for oil was annually about ~~400,000~~ 200,000 lbs or oil that could be distilled from 2,000 tons of Sandalwood we are not able to sell more than oil distilled from about 1,200 ton if these other sources of supply come to about 800 tons. The -

The only way in which we might dominate the market is to buy the Madras and Coorg Woods and apart from the large financial outlay involved Government would be taking unnecessary risks by purchasing such a large quantity of extra sandalwood. It is therefore an advantage for Government to have the Co-operation of a firm like the Essenflour Products to create a monopoly for the oil solely for the Mysore State. No objection can be raised to the Essenflour Products Ltd., for instance putting up their distilleries in the borders of Mysore. By granting them the same facilities within the State, we eliminate the other competitors and the business can be worked under conditions to be settled by mutual agreement to the best advantage of both parties.

I do not know how far Government are disposed to encourage the enterprise and so I have not made any suggestions as to the conditions that may be imposed to prevent unfair competition with our factories and all scope for any improper practice. If Government are pleased to consider the application favourably these terms may be settled in a meeting with the Director of the Sandal Oil Factories and the representatives of the firm.

I have the honor to be,
Sir,
Your most obedient servant,

DIRECTOR.

USC)

Telegrams:
"ESSENFLOUR," MYSORE.

Codes:
"A.B.C. 5TH EDITION."
"BENTLEY'S."

ESSENFLOUR PRODUCTS LTD.,

DISTILLERS OF ESSENTIAL OILS,
MANUFACTURERS OF AROMATIC CHEMICALS AND
PERFUMERY PRODUCTS.

MYSORE (South India),
P.O. Box-101.

REFERENCE
E.F. 1097/E 1

V. SECRETARIAT
D
2 NOV 1922
COMMERCE
11155/22

28th October 1922.

P.G. D'Souza, Esq., B.A., B.L.,
Director of Industries & Commerce in Mysore,
Bangalore.

Dear Sir,

You are no doubt aware that the Madras Government are selling by public auction about 860 tons of Sandalwood during the ensuing months of November and December. (We enclose for your information a copy of the notification relating to the Sandalwood sales). We, as distillers of Essential Oils, beg permission to submit through you for the consideration of the Government of His Highness the Maharaja of Mysore our application for the grant of permission to purchase the Madras Government Sandalwood at the auctions and distil the same in our factory in Mysore.

In submitting this application we feel it necessary to explain the present situation in regard to Sandalwood Oil and the effect that the permission for distilling Sandalwood in our factory would have on the Mysore Government Sandalwood business.

For more than two years the sales of the

Mysore Government Sandalwood Oil have been very slack, so slack that it was thought necessary to close down the big factory in Mysore as the stocks of oil distilled in the previous year were abnormally high. It is beyond our province to discuss the reasons for this state of affairs but the fact remains that the Mysore Government Sandalwood collection has been at a stand still and the Madras Government have reaped all the advantages of the pioneer work done by the Mysore Government in regard to the distillation of Sandalwood in India. It is common knowledge that the Madras Government were not exploiting more than an average of 250 tons of Sandalwood per year when the average auction sales of the Mysore Government touched 2,000 tons. This was before the Sandalwood Oil Factories were started; but now the Madras Government have increased their output to nearly 860 tons while the Mysore Government have practically stopped collecting.

The future outlook judged by the reports received on the Essential Oil market looks brighter but the Mysore Government cannot take advantage of any improvement in the Essential Oil market so long as the 860 tons of Sandalwood put up for sales by the Madras Government is permitted to go out. On account of the present financial stringency in the State it is unlikely that the Mysore Government will buy appreciable quantities during the ensuing auctions, with the result that the major portion will surely be bought by exporters of Sandalwood to the Continent and to the United States of America. This quantity will be large, and at an average yield of 100 lbs. of oil per ton the quantity now put up for auction is capable of yielding nearly ~~8,60000~~ 86,000 lbs. of oil. With such a large quantity of oil on the foreign market and with the present exchange fluctuations in the chief buying countries the chances of the Mysore Government deriving advantage from the improvement that has occurred in the Essential Oil market are very poor. The thing to be done therefore is to prevent the wood - at least as much of the wood as possible - from being sent out and especially to countries like the United States of America who have protected the distillers and merchants with high tariffs. You know that, while Sandalwood is imported into U.S.A. free from outside, a heavy duty of 25 per cent is being levied on Sandalwood Oil. . As the total consumption of Sandalwood Oil here does not exceed more than about 80,000 to 90,000 lbs. in a prosperous year the chances then of the Mysore Oil being sold in this country are very poor, if not nil.. If however the oil is permitted to be distilled locally by other distillers in India the Mysore Government will surely reap the benefit as then it will mean simply a competition on equal terms with local distillers. This we hardly submit is a decided advantage against the competition with the

(16

the distiller who is protected with a 25 per cent import duty on the oil.

If it is conceded, as I am sure you will, that it is necessary that the exportation of Sandalwoodto foreign countries should be minimised, if not stopped altogether, the only action that ought to be taken is to permit local distillers to purchase the wood and distil. Distillers outside the State and in fact on the borders of the State do not need any permission of the Mysore Government, but it is hard to expect that they would buy an appreciable portion of the Madras wood now put up for auctions as the amount involved will be large. We therefore beg to submit that it is in the interests of the Mysore Sandalwood Oil business to permit us, Mysoreans and distillers of Essential Oils, to buy the Sandalwood and distil it in our factory. With our equipment which is larger than any outside the State, our financial resources and efficient organisation we would even go so far as to state that the outside small distillers have no chance of competing with us and will soon be out of the field. Even if this does not happen, we beg to submit that any action that the Mysore Government might take leading to this goal is in the interests of the Mysore Sandalwood Oil business and we therefore request that you will be good enough to recommend to Government our application for license to distil the oil: As the 24th of November is the date on which the Fraserpet auctions are notified to be held we request that early orders be kindly obtained and communicated to us.

We beg to remain,
Yours faithfully,
ESSENFLOUR PRODUCTS LTD.

MR.

GOVERNMENT AUCTION OF SANDALWOOD.

The following quantities of sandalwood more or less will be sold by auction on the dates and at the places named below:-

	Approximate quantity.	Place of Sale.	Date of sale.
Coorg Sandalwood.	400 tons	Fraserpet.	24th Nov. 22.
Madras Sandalwood.	220 "	Satyamangalam.	4th Dec. 22.
do	185 "	Tiruppattur.	7th Dec. 22
do	55 "	Vellore.	11th Dec. 22

Note. - Fraserpet is 55 miles by road from Mysore. Satyamangalam is 42 miles by road from Coimbatore station on South Indian Railway. Tiruppattur and Vellore are railway stations on South Indian Railway.

.. ..

H.F.A. WOOD,

Coimbatore,
8th September 1922.

Conservator of Forests, V Circle.

28th Octr. 22.

MR.

(19

G.R.S. III—3]

[To be used onl ... cord.]

D. O. ~~OC/1455/22-3~~

GEN. SECRETARIAT
30 OCT 1922
INDUSTRIES & CO BRANCH

Office of the
Director of Industries and Commerce,
Bangalore. 30th October 1922.

My dear Mr. Ramachandra Rao,

There is a typist mistake in letter No. OC. 1455/22-23 sent to-day. Kindly have the figure 400,000 lbs (in line 9, Para 2) corrected to 200,000 lbs.

Yours sincerely,
R. Ramalingaswamy

I/c Mr
30/10

M. S. Ramachandra Rao, Esq., B.A.,
Assistant Secretary to Govt.
Bangalore.

Seal.

To the Despatcher for stating kindly to which branch & on what date the letter referred was sent.
30/10

The Correction has been made in the letter
7/11/22

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Confidential

10/11/22 (20

ISC 147-22-3

Dear Sir,

I send you a copy of a letter from the Essenflour Products Ltd., Mysore to the Director of Industries and Commerce in Mysore. I am desired to ask you to give your views on this proposal confidentially and immediately.

Yours Sincerely,

To
G. Narasinga Rao
~~the Director in-charge of Sandal Oil~~
Factories in Mysore.

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

13/11/22

(21

SANDALWOOD OIL FACTORY
SANKEY'S LODGE

SECRET:
D.242
25 NOV 1922
INDUSTRIES & COMMERCE BRANCH.

Bangalore 12th November 1922

Ic 147-22-4

No.
Enc.

"CONFIDENTIAL"

Dear Sir,

With reference to your confidential D.O.No.3000 of the 10th instant forwarding for my opinion a copy of a letter from the Essenflour Products Ltd., of Mysore, I have to inform you that the papers have been sent to Sir Alfred Chatterton returned to Bombay by the last mail boat, as the question is a very important one. His opinion may be received shortly.

But as you have called for an immediate reply, I am sending you this as my personal opinion on the subject.

In requesting for Government sanction to distil sandalwood in their factory the Essenflour Products Ltd., state that their purchasing sandalwood at the Madras and Coorg auction sales and distilling it in their works, will be very advantageous to the State and give certain figures and reasons in support of their statement. It would be useful to carefully examine these first.

They observe that while the pioneer work was done by the Mysore State, all the advantages have been reaped by the Madras & Coorg Governments. I may add that their entry into the auctions as large purchasers of sandalwood, would be a positive gain to those two Governments, as that would necessarily mean higher rates on account of greater competition. It might stimulate them to place still larger quantity of wood on the market. This consequence is far from advantageous to us. What we aim at is to persuade the

Madras & Coorg forest departments to reduce their annual output in the interests of both. Permitting the establishment of a private distillery inside the State is not therefore likely to help us in that direction.

They make a passing reference in their letter to the closing down of the Mysore factory and the large accumulation of sandalwood oil stocks. They pass on from that subject with a remark that it is beyond their province to discuss the reasons for this state of affairs. If they mean that the accumulation of stock was due to any reasons other than the slump in trade I have only to add that they were also obliged to carry on their comparitively small stock of - cheaper essential oils for a pretty long time for want of demand. This has however no bearing on the present question.

Their statement that the Madras & Coorg Governments were not putting more than an average of 250 tons per year is not quite accurate. There is no doubt of the two Governments exploiting their forests more vigorously now. From the figures available I make out the average for the six-year period preceding the establishment of the factory to be 490 tons per annum, while the average for a six-year period on this die side works out to 707 tons which shows an increase of 40% over the average of the pre-factory period. In 1920-21, the total quantity of wood sold was only 668 tons and it is quite likely that there may be a fall in the next year's quantity. This also has no direct bearing on their request.

It is doubtful how far these will be able to prevent foreig distillers from getting any appreciable stock of wood. It is a matter of common knowledge that the local private distillers have not been able to stand the competition of powerful bidders, as Volkart and others, at the auction sales. The recent increase in American tariff is an additional stimulus to the foreign distiller to offer still higher rates for wood as he is protected by the high tariff wall. The Essenflour Products Ltd., may not therefore be able to keep out the foreign distiller from the auctions, and secure for themselves the bulk of the wood exposed for sale.

No doubt we are placed at a certain disadvantage when compared with the American distiller on account of the tariff. But it should be noted that we can still compete as we have a clear advantage over him in respect of manufacturing charges and freight as the oil takes only about a tenth of the space that wood takes.

From a purely administrative point of view there cannot apparently be any objection to the granting of the license. But there is a question of policy which cannot be overlooked. The existing arrangement between the Sandalwood Oil Factories and the Forest Department, makes it necessary to attach special importance to that aspect. It will be remembered that when the sandalwood oil business was slack, the Forest Department approached Government for permission to sell a portion of their sandalwood output in open market. Again when the sandalwood oil manufacture was reduced on account of heavy stocks of oil and consequently a smaller quantity of wood was taken by the factories from the department, the latter again sought Government permission to realise their full revenue by selling some quantity of wood by public auction. I believe it is needless to state now that if such permission had been granted it would have spelled disaster to the sandalwood oil industry and the business would not have shewn signs of recovery as it is now doing. I am viewing the question from the point of sandal revenue to the State irrespective of the department or the factory. The odds would be very heavy against the factory if a ready and continuous demand for wood were created inside the State. Whenever the firm runs short of sandalwood supplies there is nothing to prevent it from approaching our Forest Department for selling some quantity. The Forest Department may, perhaps, view such requests with sympathy. It is not difficult to imagine the ultimate consequences of such a course. The present financial stringency is also a material factor to reckon with. The establishment of a ~~prize~~ private distillery augurs therefore a potential danger to the Sandalwood Oil Industry. In such cases "Prevention is better than cure" may, perhaps, be a safer rule of conduct.

Anyway this is a very important matter requiring deliberate consideration. The time is too short to arrive at any decision before the ensuing sales. Further it will not be possible for us to rectify the position later even if found necessary, and such a course would also be very unfair to the applicants. I venture to think therefore that it is not safe to commit ourselves to any definite course without carefully thinking all the aspects of the case, for which a fairly sufficient time is absolutely necessary.

Even assuming that the grant of a license may prove advantageous to Government, there is not likely to be any great loss by granting this license next year. The quantity notified for sale this year is only 38 tons more than was sold last year. The competition against us cannot be much more next year than we had during the past 12 months. We may therefore be confident of doing a pretty good business in the coming year inspite of the 860 tons to be sold by Madras & Coorg at the coming auction sales.

No reference is made here to the conditions which should be imposed as a safe-guard in case Government are pleased to favour the request. Some of them may, perhaps, be in the nature of a condition precedent to be satisfied before granting the license.

Yours sincerely,

Narasinga Rau.

B. Venkoba Rao, Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department.

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS?
SANDAL
BANGALORE
CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY
SANKEY'S LODGE

13/11/22

"CONFIDENTIAL" + Immediate

Bangalore 13th November, 192

No.
Enc.

REV. SECRET. & ... 25 NOV 1922
C 24 22

Idc 147-22-5

Dear Sir,

Further to my Confidential D.O. letter despatched to you this morning regarding the application from Essenflour Products Ltd. Mysore, I forward for your information a telegram received this afte noon from Sir Alfred Chatterton now arrived in Bombay. He has grav objections to sanctioning the application.

There is another point which I should like to add in this connection. We are considering the ways and means of bringing the other two Governments to appreciate the position from our point of view and eventually controlling their output of wood according to some understanding to be arrived at between us and them. If we now come to any arrangement with the Essenflour Products Ltd., we shall be disabling ourselves from any independent action in the near future. This position should be avoided..

This is another reason that this question cannot be decided at such a short notice.

Yours sincerely,

Narasinga Ra

B. Venkoba Rao, Esq., B.A.,

(27)

POSTS & TELEGRAPHS.

HEBBAL
13 NOV 22

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay.	
Rs.	As.

Office Stamp.

Handed in at (Office of Origin).	Date.	Hour.	Minute.	Service Instructions.	Words.

TO [illegible]

Recd. here at H. M.

[illegible]

[illegible]

[illegible]

[illegible]

N.B.—The name of the Sender, if telegraphed, is written after the text.

& Sons—2548—26-10-21—77,000 Bks. (Sun. VI).

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GOVERNMENT OF MYSORE

ADDRESS FOR TELEGRAMS:
SANDAL
BANGALORE

CODE USED: "BENTLEY'S"

SANDALWOOD OIL FACTORY
SANKEY'S LODGE

CONFIDENTIAL.

Bangalore 14th November 192

No.
Enc.

GEN. & REV. SECRETARIAT
INDUSTRIES & COMMERCE BRANCH
J. 2423
25 NOV 1922

Ind 147-22-6

Dear Sir,

I received this afternoon a letter from Sir Alfred Chatterton in which he has expressed his views in detail on the application of the Essenflour Products, Limited, Mysore. The portion relating to the subject is extracted below:

There is much force in this argument.

> "I am afraid that the establishment of a privately owned sandalwood oil factory in the Mysore State would ultimately be the source of much trouble and embarrassment to the Durbar.

Yes. if possible this is the best solution of the problem.

> The only way of dealing with the question is to again tackle the Madras Government. We are not likely to get them to restrict their output; but we may come to some agreement about reserve prices. It would be desirable to see the Dewan soon after I arrive in Bangalore to come to some understanding about these auctions.
>
> The Government should be advised to maintain their ancient monopoly unimpaired. If Government take any other view, they should be requested to postpone action till I reach Bangalore and have an opportunity of discussing the question with the Members of Government. However, I cannot imagine that the Government will take any other view.
>
> As the Essenflour Products Limited only put in their application on the 28th of October, they cannot complain if they get no decision before this year's auction sales and in so important a matter, they ought to have taken earlier action."

Yours sincerely,

Y Narasinga Rao

B. Venkoba Rau, Esq., B.A.,

G.R.S. 57.]

File No.

Serial Nos.

190

(२८)

GENERAL AND REVENUE SECRETARIAT.

(   )

Part A: Manuscript

for

Serial Nos.

GPB—5,000—20-3-06.